



Testimony to the Connecticut General Assembly Energy and Technology Committee
February 24, 2015

Re: S.B. No. 507, Electric Rate Reduction and Cap

Since 2007, electric rates for Connecticut's homes and businesses have nearly doubled. Clean Water Action believes this hurts the economy as well as making it harder to protect the environment by walking our talk in promoting energy efficiency and renewables. Accordingly, we urge the legislature to adopt stringent legislation to reduce the fixed portion of home and business electric bills and then cap these charges at \$10 per month for residents and \$25 per month for businesses.

Stagnant wages and high costs of living are well known realities in our state. Money spent on electric bills goes out of our community to the corporate offices of Eversource. This reduces the available dollars for residents to spend on local businesses, dollars that recirculate in our state. And for businesses, every dollar spent on energy is a dollar that is not available for payroll. Like our households and private sector businesses, regulated utilities must find ways to live within their means. Capping fixed costs allows consumers to manage their energy budgets and cut costs by conserving or investing in cost-effective renewable systems.

Utilities do have fixed costs, including the cost of maintaining the grid. Utilities are entitled to return decent profits to shareholders. We are not trying to paint these important institutions as bad and wrong. If the costs of doing business genuinely increase, those increases can trigger requests to raise the variable part of the bill, the part that consumers can manage by conserving.

We are deeply concerned that our utilities have not adjusted their business models or strategic plans to adapt to the requirements of distributed renewable energy. As a result, they are penalizing the consumer behaviors that should be rewarded, the choices to conserve and to shift to renewable energy. We will be submitting parallel testimony in support of : [Proposed H.B. No. 6023](#), AN ACT CONCERNING DISTRIBUTED GENERATION, which highlights the importance of getting these incentives right.

In an ideal world, business practices such as electric rates should not have to be legislated. But Connecticut's utilities have not shown the ability to keep pace with innovation in the electricity business that is needed in order to assure our communities of the reliability and affordability of this essential commodity.



Testimony of Clean Water Action to the CT General Assembly Energy and Technology Committee In support of HB 06030 An ACT concerning zero-emission vehicles in Connecticut / HB06031 An act concerning electric vehicles

Zero emissions vehicles are ready for prime time. This clean technology has lower operating costs than conventional cars, and its price is falling. Since transportation is a significant portion of Connecticut's carbon footprint, it is important for the state to take leadership in establishing a viable marketplace for electric vehicles by removing barriers and increasing consumer confidence.

Electric vehicles are taking off in unexpected marketplaces such as Atlanta, not a municipality known for high commitment to clean energy. This case study shows how a variety of public and private supports for EVs can work together, including state rebates and tax incentives, a proactive approach to charging infrastructure, and encouragement of workplace-based incentives like preferential parking spots and even recognition awards.

State government in Connecticut should make haste to do all that government can, such as:

- **Establishing a financial incentive**—such as a tax break or rebate of \$2,500–\$5,000—that will combine with the existing federal rebate of \$7,500 to make ZEVs like electric and fuel cell vehicles comparable in price to traditional gas-powered cars.
- **Establishing non-monetary incentives** such as access to HOV lanes and preferred parking areas at public facilities.
- **Preparing our electric utility framework** for increased EV use, for example by requiring reduced rates for nighttime charging when demand is low.
- **Fast-tracking the expansion of Connecticut's EV charging network** through tax exemptions, updated building codes, streamlined municipal permitting, and leadership, which could be done in coordination with Energize-CT's Clean Energy Communities Program and its network of local Clean Energy Task Forces.
- **Leading by example** by purchasing ZEVs for the state fleet and providing state employees with group purchasing options for affordable EV charging stations.
- **Creating an educational program** for car buyers and dealerships, businesses and workplaces, and municipalities about the benefits of ZEVs and the local steps that can be taken to encourage them.

Since Connecticut prides itself on being a cleantech state, and since our utilities are out front along with Energize-CT in encouraging EVs in principle, we urge the Legislature to close the gap between principle and practice with concerted policy supports for zero-emission electric vehicles.



Testimony of Clean Water Action Presented to the Connecticut General Assembly
Energy and Technology Committee
Re: Proposed H.B. No. 6023, AN ACT CONCERNING DISTRIBUTED GENERATION

Clean Water Action is a 40-year-old national nonprofit which was formed to spearhead the original Federal Clean Water Act, and has stood to protect clean water through federal and state policymaking ever since. In Connecticut, Clean Water's program includes a strong focus on clean energy as an underpinning of clean water, climate protection and economic well-being. We are pleased to provide comments on the proposed legislation requiring DEEP to "(1) to develop a methodology to determine the value that distributed generation provides ratepayers, the electric grid and society; and (2) to create a mechanism allowing electric customers who install and utilize distributed generation to recover the value that distributed generation resources provide."

This legislation has the power to cut through polarizing debates and create the next generation of market mechanisms to further mainstream clean and renewable energy as well as promoting a more resilient electric grid. Recent utility petitions for rate hikes have been based on the assertion that renewable energy customers are somehow subsidized by those who continue to buy their electricity from conventional utilities, since the utility must still maintain the grid even with fewer users. At this point, with solar no more than 1% of electricity generation nationally, this argument is thin. But given the rapid scaling up of solar in Connecticut, it is essential that we find a more empirically sound, consensus-based approach to valuing its contribution to the grid as well as factoring in any subsidies to renewables that may exist.

Only by exploring the benefits of renewables, and the actual measurable costs to utilities of managing the transition, can we make fair decisions about future rate adjustments and fairly compensate owners of renewable power for the benefits they deliver into the grid. These include the public benefits of¹:

- Avoided Energy Costs
- Avoided Generation Capacity
- Reduced transmission and distribution losses
- Avoided Transmission Capacity
- Deferred T&D Upgrades
- Avoided SO_x, NO_x & CO₂ Costs

¹ Analysis of Joel N. Gordes, Environmental Energy Solutions, 24 Feb. 2015 testimony to Energy and Technology Committee.



This legislation asks DEEP to come up with some numbers, but it does not call for a detached, quantitative exercise. It calls for a wisely structured public conversation among all the parties who are too often arguing about renewable energy and policy – utilities, their customers, regulators, financiers and others – to grapple with the ways they assign value to energy supply and demand. We call on this committee to support the proposed legislation, and to watch its progress carefully to make sure it is passed in a form that does not short-change this potential.

Minnesota and New York are examples of states that have risen to this challenge and are using it as a springboard for ambitious expansion of clean energy markets. Connecticut has made progress on its initial goals within the Global Warming Solutions Act but does not have a framework for deeper greenhouse gas reductions that must come in the next phase. The proposed valuation process will create the foundation for those reductions and a greatly strengthened clean energy economy.

Thank you for your attention.